

Message Text

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67

ACTION XMB-04

INFO OCT-01 ARA-06 ISO-00 EB-04 AID-05 CIAE-00 INR-05

NSAE-00 RSC-01 COME-00 TRSE-00 /026 W

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R 061850Z NOV 74

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC 8519

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E.O. 11652: N/A

TAGS: BPRO

SUBJECT: EXIM BANK GUARANTEE FOR SALE OF 5 MODEL HD-11

CRAWLER TRACTORS WITH ATTACHMENTS TO MINISTERIO

DE OBRAS PUBLICAS Y TRANSPORTES, COSTA RICA

REF: STATE 238123

1. EMBASSY UNABLE TO OBTAIN CONFIRMATION OF PURCHASE BY MINISTERIO DE OBRAS PUBLICAS Y TRANSPORTES OF 5 CRAWLER TRACTORS OR GUARANTEE BY MINISTERIO DE HACIENDA OF GOCR. SUCH PURCHASES ARE LEGALLY REQUIRED TO BE MADE THROUGH PUBLIC TENDERS AUTHORIZED AND APPROVED BY THE CONTROLLER'S OFFICE. NEITHER THE MINISTERIO DE OBRAS PUBLICAS Y TRANSPORTES, THE MINISTERIO DE HACIENDA NOR THE OFFICE OF THE CONTROLLER, WOULD CONFIRM PURCHASE OF SUBJECT EQUIPMENT.

2. RE AVAILABILITY OF FOREIGN EXCHANGE, COSTA RICA HAS IMPOSED SURVEILLANCE OVER CAPITAL EXPORTS TO PREVENT SPECULATIVE OUTFLOWS OF SHORT-TERM CAPITAL BUT IS MAKING FOREIGN EXCHANGE AVAILABLE WITHOUT LIMIT FOR NORMAL TRADE TRANSACTIONS AND FOR REMITTANCE OF DIVIDENDS, INTEREST, AMORTIZATION, AND PRINCIPAL, ETC. ON FOREIGN INVESTMENT. FOREIGN EXCHANGE RESERVES ARE LOW AT PRESENT, BUT COSTA RICA HAS SUFFICIENT ACCESS TO FOREIGN CREDIT TO ALLAY CONCERN ABOUT ITS ABILITY TO MEET CURRENT OR LIKELY FUTURE COMMITMENTS. IN THE EMBASSY'S OPINION,

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A FURTHER DETERIORATION OF COSTA RICA'S BALANCE OF

PAYMENTS WOULD BE LIKELY TO LEAD TO MEASURES TO RESTRAIN
EXCESSIVE IMPORTS AND COULD CONCEIVABLY FORCE A DEVALUATION OF
THE COLON, BUT WOULD NOT LIKELY CAUSE THE GOVERNMENT TO
DEFAULT ON ITS OBLIGATIONS.

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Message Attributes

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Current Classification: UNCLASSIFIED
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Draft Date: 06 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: smithrj
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
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